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*courage is contagious*

## Viewing cable 09MANAGUA241, ORTEGA LAUNCHES CHARM OFFENSIVE TO WOO BACK AID

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09MANAGUA241**.

Reference ID	Created	Released	Classification	Origin
<a href="#">09MANAGUA241</a>	<a href="#">2009-03-06 15:37</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	Embassy Managua

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758468.aspx>  
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<http://www.nacion.com/2011-05-23/Mundo/Relacionados/Mundo2758764.aspx>  
<http://www.nacion.com/2011-05-23/Mundo/NotaPrincipal/Mundo2758753.aspx>  
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<http://www.confidencial.com.ni/articulo/4047/rodrigo-barreto-enviado-de-ldquo-vacaciones-rdquo>  
<http://www.nacion.com/2011-05-16/Mundo/NotasSecundarias/Mundo2757239.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/NotaPrincipal/Mundo2746658.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2757244.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2746673.aspx>  
<http://www.confidencial.com.ni/articulo/3991/dra-yadira-centeno-desmiente-cable-diplomatico-eeuu>  
<http://www.confidencial.com.ni/articulo/3968/pellas-pronostico-a-eeuu-victoria-de-ortega-en-2006>  
<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

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INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RUEHBS/USEU BRUSSELS PRIORITY  
RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC PRIORITY  
RHEHNSC/NSC WASHINGTON DC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MANAGUA 000241

SIPDIS

E.O. 12958: DECL: 03/04/2019

TAGS: PREL PGOV NU

SUBJECT: ORTEGA LAUNCHES CHARM OFFENSIVE TO WOO BACK AID

Classified By: Ambassador Robert J. Callahan, reasons 1.4 (b, d)

**¶1.** (C) Summary. Faced with a worsening economic situation, steep cuts in foreign assistance, and an ongoing domestic political crisis resulting from fraudulent municipal elections in November 2008, President Ortega has launched a belated and superficial charm offensive with foreign donors to woo back aid and attract new cooperation and investment. In its outreach to donors, especially from the EU, the GON has emphasized the negative impact cuts would have on the rural poor and sought to minimize concerns over anti-democratic trends and credible accounts of elections fraud. Additionally, Ortega has called for a "national dialogue" to restore donor confidence, while avoiding committing to concrete minimum conditions or participation by opposition groups in any such dialogue. End Summary.

CHANGING THE RHETORIC AND OPENING DOORS

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**¶2.** (C) In the immediate aftermath of the November 2008 municipal elections and cuts or freezes in aid announced by donors in response to credible reports of massive electoral fraud, the Ortega administration appeared defiant and welcomed the departure of the "imperialists." In late November, Ortega told his fellow participants in the ALBA Summit in Caracas, Venezuela that the departure of the Millennium Challenge Corporation's (MCC) program would make Nicaragua "more free." Vice Foreign Minister Manuel Coronel Kautz later said that the freezing of MCC and other international aid was an "act of desperation" and suggested that Nicaragua would be better off without such aid "because this type of cooperation does not develop the country."

**¶3.** (C) Three months later, facing a worsening economic situation compounded by a significant budget shortfall, President Ortega and senior GON officials have launched an effort to woo back foreign aid and enhance relations with foreign donors. Over the last month, senior GON officials, including the Finance Minister, Education Minister, Foreign Minister and President Ortega himself have made personal and direct efforts to enhance or highlight cooperation with the U.S. as well as with other key foreign donors. In public, Ortega and other senior FSLN/GoN leaders have scaled back, though not eliminated their standard anti-U.S. and European rhetoric.

**¶4.** (C) Moreover, Ortega and the FSLN leadership have expanded their personal outreach to the Embassy and the Europeans. On January 29, Ambassador hosted Ortega and his wife, Rosario Murillo, for their first ever dinner at the U.S. Ambassador's residence. Over the course of the three hour event, Ortega and Murillo were engaging and personable, but cautiously avoided discussion of substantive issues. In a February 10 meeting with the Ambassador, Foreign Minister Santos

committed to quickly resolve several long-standing bilateral disputes involving exemption from taxes for the Embassy and personnel. After months of being told that the Finance Ministry opposed granting the Embassy exemption from taxes on gasoline purchases, Finance Minister Guevera told the Ambassador that he was "under orders" to resolve the problem and committed to exempting the Embassy from future taxes as well as removing the demand that back taxes be paid on prior fuel purchases. Other FSLN National Assembly Deputies and regional party officials have also opened their doors to Emboffs after declining or canceling requests for meetings in previous months. Other diplomatic missions have reported to us a similar sudden change in GoN behavior. One Ambassador told us that "cooperation has never been better" and that he could not explain the change in attitude and cooperativeness suddenly coming from the GoN.

NATIONAL DIALOGUE - BUT ON FSLN TERMS

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¶ 15. (C) Beyond changing the rhetoric and opening their doors to Western diplomats, the FSLN has re-circulated an idea proposed last year to convene a "national dialogue" to move Nicaragua beyond its current crises. On February 27, National Assembly President and Ortega-confidant Rene Nunez publicly announced the proposal for a "national dialogue in which would participate all the social, political and economic sectors of the country." The goal of the dialogue, according to Nunez, would be to design programs that would counteract the "negative effects of the decadence of the capitalist and neo-liberal system." Only a national

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dialogue, he asserted, would be able to address the problems facing the country and keep the nation on course to address the real problems of poverty and other social needs of Nicaraguans. On March 3, Ortega met with Cardinal Miguel Obando y Bravo (who chairs the pro-Ortega National Reconciliation Commission) and proposed that Obando chair the national dialogue. (Note: Obando, who was once the leading critic of Ortega, has allied himself with Ortega, publicly defending his handling of the November municipal elections and rejecting criticism of Ortega's slide towards authoritarianism. Obando's popularity has fallen as a result and his role in any dialogue would be widely rejected by opposition political parties and NGOs. End Note.)

¶ 16. (C) In a sign that the call for a dialogue is likely part of the "Pacto" power-sharing agreement between Ortega and former President Arnoldo Aleman, Constitutional Liberal Party (PLC) leader Wilfredo Navarro issued a public challenge to Ortega to convene the dialogue and committing the PLC's participation, but only if it included a discussion of the formation of a new Supreme Electoral Council (CSE) and broader constitutional and political reforms, including permitting presidential re-election. Civil society leaders with whom we have spoken have rejected the call for a dialogue on the FSLN's and PLC's terms, fearing that they would be excluded from the table and any outcome of the dialogue, which is more than likely pre-determined. Violeta Granera, Executive Director of the civil society group Movimiento por Nicaragua, believed the call for a dialogue was a "trap" that would be used to endorse constitutional changes, cosmetic reforms of the electoral system, and lead to a further concentration of Ortega's power at the expense of civil society. Granera reported that a group of NGOs working to promote electoral reform would shortly issue a new platform of recommended changes to electoral law (that do not involve constitutional reform) that she hoped could serve as the basis for a real dialogue and a minimum standard by which to evaluate the GoN's commitment to reform.

COMMENT

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¶ 17. (C) It is clear that Ortega is beginning to feel the bite

of the global financial crisis and reduced international aid, particularly European-donated direct budget support, and is looking for a way forward to attract re-investment. At the same time, it is also clear that Ortega is confident that his administration can ride out the economic storm and woo back aid if they go through the motions of committing to improved relations and reform. He appears willing to give lip-service to reform, but only to the extent that it serves his long-term agenda of securing his hold on power through constitutional reform and presidential re-election. We have seen no indication that Ortega or others in the FSLN have reached out to key segments of Nicaraguan society, including pro-democracy NGOs, the business community, or the Catholic Church, or that such organizations would be prepared to engage in a dialogue on the terms proposed by Ortega.

CALLAHAN